

T.O. - 7111

Note to the Council of the Chinese
Society. - 16/4/26. 20 APR REC'D from Dr.

The writer gives a summary of the connexions of General Feng Yu-hsiung with the Soviet Government relating to the supply of arms and money for bolshevik propaganda in China.



DC?

for translation
Replies

W.M.

26/4

Sir, translation herewith.
Yours C. D. I.
26/4/26.

Forwarded.

retransmitted to
see

24th 26

Send to M. Seaman
for perusal
E.W.S.

Translation of a Booklet entitled "Feng Yu Hsiang's 'Red' Intrigues Revealed" (匪徒赤化陰謀大披露), Published by the Chung Hwa Citizens' Anti-Bolshevik Society.

Feng Yu Hsiang's "Red" Intrigues Revealed.

Feng Yu Hsiang is noted for his many intrigues which have now been discovered, and the people are of the opinion unanimously that he deserves to be decapitated. Being surrounded by enemies at a time when no possible assistance could be secured, Feng began to lead a new career by co-operating with Soviet Russia whose policy then was to make the whole of China red. The fact that Soviet Russia is seriously assisting Feng cannot by any means be denied. A section of the people, however, has been misled by Feng Yu Hsiang's tricky manner of propaganda. These persons claim that Feng has no "red" leanings, but support the argument that he is simply exploiting Soviet Russia. However, they do not seem to realize that although Feng does not entertain Bolshevik ideas, it is plain that his ambitions are to make use of Soviet Russia's help in order to secure complete control of China. The following information will show that this is true.

Soviet Russia has employed the "Left" wing of the Kuomingtang Party to Bolshevise Canton. She has caused the continuation of China's internecine warfare and has instigated strikes and anti-foreign agitations. All these activities are responsible for the present situation at Canton. If we would but ponder over this, as also over Kuo Sung Ling's military counter-operations in the North-east last year and Soviet Ambassador Karahan's movements, there would then be no doubt whatever that Feng Yu Hsiang, in his present relations with Soviet Russia, has willingly lent his services to the devils and heartlessly betrayed his own country. Recent events are of such importance that they ought to be carefully studied. The following report, made by members of the Investigation Department of our Society from personal investigations, is published here for the information of the people.

U.S.S.R.'s Relations with Feng Yu Hsiang of the Kuominchun Army.

A. The Supply of Arms.

According to information secured by the British Legation, Soviet Russia and Feng signed a secret pact whereby the former undertake to furnish the latter with a loan of three million Gold Roubles in the form of munitions. These munitions are on their way from Urga to Kalgan. On January 29 last the following report was read at the "Soviet Club" in the Old Russian Concession, Tientsin :-

"The Revolutionary Committee at Urga has decided to join Soviet Russia's All Mongolian Conference on March 1. A meeting was held (by the committee) on January 17 when a report was read on the revolutionary movement in the Far East. This report stated that the greater portion of the three million gold Rouble munitions loan has already been delivered to Feng Yu Hsiang."

On the same day (January 29) a notice was received at the Tientsin Branch of the Soviet Commercial Union to the effect that transportation of a consignment of Mongolian wool for

North America had been delayed on account of the Peking-Suiyuan line being busily engaged by the National Transportation Co. transporting guns and ammunitions. If this be true, then it is evident that the aforesaid munitions were being transported through the medium of the National Transportation Coy. From investigations made in the early part of February at the Kalgan branch of the Soviet Commercial Union, the following details of munitions and conditions of their transportation since April last were disclosed :-

| Month. | War Supplies. | Amount. | Remarks. |
|----------|---|---|---|
| April | Infantry guns | 15,000 | Mauser Pattern. |
| May | do | 20,000 | do, Blister |
| June | Aeroplanes | 3 | "Peh Li Lee Auh" 7.3.7.1.9 Bi-planes. 1 of 600 H.P. 2 of 350 H.P. each |
| July | Infantry guns Machine guns | 10,000 17 | Mauser Size not mentioned |
| August | Carbines for cavalry. Field guns (small size) | 8,000 40 | - Russian make |
| Sept. | Infantry guns Explosion machines Aeroplanes do (Light) | 20,000 24 sets. 3 3 | Mauser, old Russian guns. - Large bi-planes 650 H.P. German make |
| October | Carbines for cavalry Infantry guns Pistols Hand grenades "Bee Kuh Lin" Acid (Yellow) | 10,000 5,000 5,000 5,000 25 barrels, 2 lbs. | |
| November | Field guns (Small size) Machine guns Cossack pistols | 20 20 8,000 | |
| December | Infantry guns ammunition for guns | 5,000 200 rounds each. | Old Russian guns |

According to the employees of the National Transportation Coy, the methods of delivery were as follows :-
1. Destination : The Wireless Station, Sai Loo Li (三路里),
on the outskirts of Urga.
2. Consignees : Lieutenant-General Zung (孫) and three others.
3. Transportation : Two hundred motor cars were used daily
after May. Shells and ammunition for guns
are transported by camels.

B. Particulars of the Arms Loan.

1. Signatories to the Loan Contract : "Fee Shang Kur", Soviet Consul at Kalgan, representing the Soviet Commercial Union, and Feng Yu Hsiang.

2. Amount of Loan : 3,000,000 Gold Roubles.
3. Security : No specific articles, but the following conditions were made :
 - (a) That Russian and Mongolian goods transported by the Soviet Commercial Union into China or passing through China to be exempt from tax.
 - (b) That Soviet Russia be given the monopoly for trading and transportation of goods between China and Mongolia.
4. Conditions of Reimbursement : No reimbursement to be made within the term of five years, but the loan must be reimbursed beginning from the sixth year and must be completed within three years.
5. Purpose of the Loan : The loan represents the price of munitions purchased and supplied to Feng Yu Hsiang.
6. Appendix :
 - (a) In addition to furnishing the munitions, Soviet Russia will also send 21 flying instructors and officers, and other trainers or artisans for cavalry, artillery, machine gun company, etc. All expenses for the upkeep of these men to be paid from the loan.
 - (b) Details regarding the supply of munitions to be made separately by Consul "Fee Shang Kur".

C. Economic Relations Between Soviet Russia and Feng Yu Hsiang.

A perusal of the foregoing conditions will convey an idea of the advantages Feng Yu Hsiang receives from having contracted the loan. On the other hand, Soviet Russia, in order to raise funds for propaganda purposes, has stipulated the following economic conditions : -

1. Trading between Soviet Russia and China : Transportation. The following agreement, which has been signed by Soviet Russia and Feng, provides that all transportation by private concerns is illegal, but this right is reserved to national transportation companies, namely :
 - (a) Soviet National Transportation Bureau,
 - (b) Mongolian Government offices,
 - (c) The Yamen of the Tuman of the North-western Territories.
2. Monopoly of Mongolian Trading interests. The following agreement was signed on September 17 last between Feng Yu Hsiang and "Fee Shang Kur", representing the Soviet Commercial Union : -
 - (a) That U.S.S.R.'s National Commercial Bureau be given the monopoly of transporting Mongolian products into China.
 - (b) That the Soviet Commercial Union and the Soviet Commercial Bureau in Mongolia be given the monopoly for transporting Chinese products, such as silk, cotton, shoes, sundry goods, etc. into Mongolia.
 - (c) All private transactions must be approved by the above-mentioned organizations.
 - (d) That the Soviet Commercial Union be given preferential treatment in the matter of allotting freight trains on the Peking-Suiyuan Railway.
 - (e) That the Soviet Commercial Union undertakes to provide money for the maintenance of those members of the Peking-Suiyuan Railway Labour Union who have joined the World Professions League.
 - (f) That labour unions be established at various places.

5. Opium Monopoly.

The sale of opium will also be monopolized conjointly by Feng Yu Hsiang and Soviet National Commercial Bureau. The rights to purchase, store, transport and sell opium in the Special Districts of the Northwest are reserved to the Soviet National Commercial Bureau. The latter also enjoys the privilege of importing opium from Turkestan and Persia. Although the profits are to be equally divided between the Soviet National Commercial Bureau and Feng Yu Hsiang, they are nevertheless to be wholly used for revolutionary purposes. The extent of business conducted last year was \$1,200,000. After deducting \$900,000 for brokerage, the net profit \$300,000 (?) was divided, but the methods of appropriating this sum, according to different reports, vary. The division of this money caused some dissatisfaction amongst Feng Yu Hsiang's men. Recently Feng Yu Hsiang drew \$250,000.00 from the Kin Cheng (金城) Bank and deposited it with the Far Eastern Bank. It is stated that this money was being held in readiness for Feng when he goes abroad.

If the foregoing be true, Feng Yu Hsiang has blindly ~~unscrupulously~~ presented the keys of commercial and economic developments in North China to Soviet Russia, thereby enabling her to conduct intervention. Soviet Russia has also supplied Feng with munitions of war in order to gratify the latter's desires for fighting, thus bringing about the present heavy fighting in the North. Should these plans materialize, how can we predict what dangers the future has in store, especially as Soviet Russia's real intentions cannot yet be guessed. Soviet Russia may gradually present demands that will prove even more unjust than the 21 Demands. Should this actually happen Feng will naturally accept them willingly. The question that now remains to be answered is what will be the fate of China's four hundred million people? Let the people think out some means to effect their salvation.

Let us oppose Bolshevism !

Let us oppose Feng Yu Hsiang !!

Let us struggle for national existence !!!

Let us struggle for the lives of the people !!!!